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C O N F I D E N T I A L SANTIAGO 000876

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STATE FOR WHA/CCA, WHA/BSC

E.O. 12958: DECL: 04/26/2016
TAGS: [ETRD](#) [ETTC](#) [PREL](#) [CU](#) [CI](#)
SUBJECT: NSC-DIRECTED COUNTRY-BY-COUNTRY REVIEW REGARDING
SUSPENSION OF TITLE III OF THE LIBERTAD ACT: UPDATE FROM
CHILE

REF: A. STATE 57782

- [1](#)B. 05 SANTIAGO 2560 AND PREVIOUS
- [1](#)C. 04 SANTIAGO 2760

Classified By: Deputy Chief of Mission Emi L. Yamauchi. Reasons: 1.4
(b and d).

[1](#)1. (C) Post provides the following information in response to
Ref. A request. Responses are keyed to the specific
questions identified in Ref. A, paragraph 5. Ref. B is
Post's response to previous requests.

Nature of Investments

[1](#)2. (U) The most significant private-sector Chilean investment
in Cuba has been made by the Chilean firm INGELCO, which is
involved in the production of citrus fruit juice (primarily
grapefruit juice). According to open-source information
posted on the Chilean Foreign Ministry website
(www.minrel.cl), INGELCO has a grapefruit production facility
in Matanzas, Cuba, and a production facility for long-life
milk in Sancti Spiritus. Its long-life milk production is
primarily for the Cuban domestic market. There are other
private Chilean companies that are reportedly considering
investments in the production of footwear, seaweed
processing, and pre-fabricated home construction. A
Chile-Cuba Chamber of Commerce was established in 1999.
Total private sector Chilean investment in Cuba is estimated
at USD 50 million, almost all of that in INGELCO's juice and
milk production.

Bilateral Trade Agreements

[1](#)3. (C) Chile and Cuba signed a partial trade agreement on
August 21, 1998 that calls for the reduction of tariffs on
some 750 Chilean products and 650 Cuban products. According
to the Chilean MFA, Chilean products that would be permitted
to enter Cuba duty-free included fresh tomatoes, jams,
chewing gum, apples, wines, plastic tubing, and some
industrial machinery. Neither country has ratified the
agreement. In November 2004, an MFA official told poloff
that neither Chile nor Cuba had taken the necessary "internal
steps" for the agreement to go into effect. This official
expressed doubt that Chile would do so "any time soon." (Ref.
C)

Exchange Programs

[1](#)4. (U) Post is not aware of any formal exchange programs

between Chile and Cuba. However, in a press interview before departing Santiago, former Cuban Ambassador Fraga said that as Health Minister under President Lagos, Michelle Bachelet had traveled to Cuba and signed cooperative agreements in the areas of public health and medicine, and education and professional exchange programs.

15. (U) On April 25, a Cuban newspaper quoted Cuba's Deputy Minister of Culture, Abel Acosta, as saying he was optimistic about the possibilities of culture exchanges with Chilean institutions and peoples. Acosta reportedly made the comments after attending a cultural event ("Festival of Political Ideas and Culture in Defense of Humanity"). The article does not mention any existing programs between Cuba and Chile, nor does it indicate that Acosta concluded any agreements during his visit.

Promotion of Human Rights and Democracy

16. (C) Relations between Chile and Cuba were strained during the Lagos Administration (March 2000-March 2006). In one of his first major foreign policy decisions, Lagos instructed the Chilean mission in Geneva to vote in favor of the resolution condemning Cuba's human rights record) a position that Chile maintained throughout Lagos' administration. In response, Castro withdrew the Cuban Ambassador to Chile for nine months. In early 2005, then Deputy Foreign Minister Barros told us that President Lagos accepted that Chile had "a problem" with Castro stemming from Chile's support for such resolutions, which would remain the case for the rest of his (Lagos') administration.

17. (C) Chile's past support for human rights resolutions notwithstanding, the Lagos Administration consistently opposed the U.S. embargo against Cuba, primarily on the

grounds that it hurt the well-being of the average Cuban. Some members of Lagos' center-left governing Concertacion coalition were sympathetic toward Castro and wished Chile had pursued a policy of engagement with Cuba. In September 2004, the GOC back-tracked on its commitment to invite Cuban dissidents to Chilean national day receptions, arguing that the GOC believed that engagement with Cuba had had a positive effect, and that it would be difficult to maintain that engagement if Chile invited dissidents.

18. (C) Compared to previous years, however, there were fewer discernible counter-pressures from members within President Lagos' governing coalition to pursue Castro-friendly policies toward the end of the Lagos Administration. In early 2004, four senators from the governing coalition visited Cuba and met with dissident leaders. Upon their return to Chile, they publicly expressed support for Cuban democracy activities, further straining relations with Havana. The results of the senators' meetings with activists, together with their annoyance at how they were treated by the Cuban government, lessened the pressure on Lagos to pursue a Castro-friendly policy, according to then Deputy FM Barros. In April 2004, in a 67-8 vote, Chile's Chamber of Deputies (comprised of representatives from across the political spectrum) called on the Chilean Government to support the UNHRC resolution on Cuba. Chile's pique at Havana's public declarations supporting Bolivia's sovereign maritime aspirations provided additional reason for Chile to continue to support human rights-related resolutions.

High-level Visits

19. (C) In late November 2005, Deputy Foreign Minister Barros led a small Chilean delegation to Cuba for consultations. Upon his return, Barros characterized his meetings with Cuban Foreign Ministry officials as "light," commenting the Cubans were more interested in "other countries in the region." Barros lamented the across-the-board crackdown in Cuba, commenting that the situation there appeared much worse than

in 1991-92, when he was last there.

¶10. (U) Former Cuban Ambassador Fraga told the Chilean press in late December 2005 that a Chilean-Cuban "mixed commission" met in Havana in July to discuss economic, technical and science cooperation.

Outgoing Cuban Ambassador on State of Relations -----

¶11. (U) Several Chilean newspapers conducted interviews with Fraga before he departed Santiago in late December 2005. Fraga, who had served as ambassador to Chile for more than five years, conveyed disappointment and frustration with Chile-Cuban bilateral relations during the Lagos administration. He openly acknowledged that Chile's support for resolutions condemning Cuba's human rights record was the primary source of the damage.

¶12. (U) Other noteworthy points mentioned in the press articles:

--During his tenure in Chile, Fraga "practically never met" with former Foreign Minister Soledad Alvear, who delegated meetings with Fraga to Deputy FM Barros or lower-ranking MFA officials.

--Fraga's relations with Chile's Socialist Party ended in "failure" as a result of the Lagos Administration's support for condemning Cuba's human rights record. In an interview published in the June 2, 2006 edition of "Ercilla," Fraga lamented that there were "political sectors (in Chile) that would introduce one way or another the topic of Cuba in the internal (Chilean) political agenda. Every time there was a vote in Geneva, in Chile's Chamber of Deputies, sectors within Chile's center-right opposition coalition and the center-left governing Concertacion coalition would introduce motions condemning Cuba's human rights practices."

--Cuba's attempt to develop ties with Chile's centrist party, the Christian Democrats (DC), were also unsuccessful. In 2003, after accepting an invitation to travel to Cuba to meet with Fidel Castro, Senator and DC Party President Adolfo Zaldivar canceled the visit at the last minute after learning that 78 Cuban dissidents had been detained.

--During his visit to Chile in 2004, Cuban FM Felipe Perez Roque was unable to secure a meeting with Zaldivar. No

Chilean minister (including then FM Insulza) met with Perez Roque. In the end, Perez Roque "had to" settle for a meeting with then Under Secretary of War Gaspar, who had spent part of his Pinochet-era exile in Cuba.

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